

## Message Text

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PAGE 01 CARACA 06565 01 OF 02 151823Z

ACTION ARA-14

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-10

L-03 NSAE-00 NSC-05 PA-01 SP-02 SS-15 ICA-11

AID-05 PC-01 IO-13 HA-05 DLOS-09 OES-09 EB-08

DOE-15 SOE-02 OMB-01 TRSE-00 MCT-02 EUR-12 /150 W

-----046667 151846Z /43

R 141712Z JUL 78

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 3014

INFO AMEMBASSY BOGOTA

USCINCLANT NORFOLK VA

USCINCSO QUARRY HEIGHTS

LIMITED OFFICIAL USE SECTION 1 OF 2 CARACAS 6565

USCINCLANT FOR POLAD

E.O. 11652: N/A

TAGS: PEPR PINS PINT EFIN ECON LOS VE

SUBJECT: THIS WEEK IN VENEZUELA

REF: (A) CARACAS 6297 (B) CARACAS 6151

SUMMARY: THE CAMPAIGN: TWO POLLS-TWO LEADERS. GOOD NEWS ON THE GUERILLA FRONT. PETROLEUM TALKS WITH BRITISH AND MEXICANS. ALLEGED KIDNAPPER IN ELECTION FOR CONGRESSIONAL SEAT. GOV EXONERATES FOREIGN CREDITORS FROM PAYMENT OF INCOME TAX. AMBASSADOR RICHARDSON CONSULTS ON LOS. END SUMMARY.

1. THE CAMPAIGN: TWO POLLS-TWO LEADERS. ON SUCCESSIVE DAYS THIS WEEK, TWO MAJOR POLLS PUBLICIZED DIFFERING RESULTS. FIRST, GALLUP POLL'S LATEST (LATE MAY) SOUNDINGS SHOW PINERUA ORDAZ LEADING HERRERA CAMPINS LIMITED OFFICIAL USE

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PAGE 02 CARACA 06565 01 OF 02 151823Z

NATIONALLY 33.5 PERCENT TO 30.5 PERCENT. THE FOLLOWING DAY DATOS' MOST RECENT POLL (EARLY JUNE) SHOWED HERRERA CAMPINS AHEAD OF PINERUA 26 PERCENT TO 24 PERCENT NATIONALLY. THE GALLUP POLL HAD PINERUA AHEAD IN ALL REGIONS OF THE COUNTRY, EXCEPT ZULIA-FALCON; THE DATOS POLL SHOWED HERRERA LEADING IN ALL SECTIONS EXCEPT THE EAST, THE ANDES AND THE CARACAS METROPOLITAN AREA. COMMENT: THIS IS THE FIRST

TIME DURING THE 1978 PRESIDENTIAL CAMPAIGN THAT MAJOR REPUTABLE POLLING ORGANIZATIONS HAVE COME OUT WITH DIFFERENT RESULTS, ALTHOUGH THE DISCREPANCIES ARE NOT AS STRIKING AS MIGHT SEEM PARTICULARLY SINCE NEITHER ORGANIZATION EVER ANNOUNCES ITS MARGIN OF ERROR. BOTH CANDIDATES EXPRESSED CAUTIOUS OPTIMISM ABOUT THE POLLS, BUT PSYCHOLOGICALLY THE DATOS POLL GAVE A NEEDED BOOST TO THE SAGGING IMAGE OF THE COPEYANAO CAMPAIGN. THE EMBASSY BELIEVES THAT FORMER PRESIDENT CALERA'S ACTIVE PRESENCE IN HERRERA'S CORNER DURING THIS LAST TWO WEEKS IS GOING TO MAKE A DIFFERENCE AS WELL (ALTHOUGH THIS IS NOT YET REFLECTED IN THE POLLS). FURTHER, CARPING PRESS STORIES ABOUT INTERNAL COYAYANO DISSENSION OVER THE DIRECTION OF THE HERRERA CAMPAIGN HAVE TENDED TO DIMINISH . END COMMENT.

2.GOOD NEWS ON THE GUERILLA FRONT.

ARRESTS CONTINUED FOLLOWING THE DETENTION OF SIX PERSONS TWO WEEKS AGO IN CONNECTION WITH THE ABORTIVE KIDNAPPING ATTEMPT AGAINST ARGENIS GAMBOA, PRESIDENT OF THE VENEZUELAN GUAYANA CORPORATION (CVG) (CARACAS 6151). DURING THE LAST TEND DAYS THE PRESS HAS REPORTED THAT UP TO FORTY PERSONS HAVE BEEN DETAINED BY THE INTERIOR MINISTRY SECURITY SERVICE (DISIP) FOR QUESTIONING, AFTER SWEEPS IN CARACAS, AND MARACAY, AS WELL AS ANZOATEGUI AND MONAGAS STATES. AMONG THOSE NOW BEHIND BARDS ARE EDEL PUERTA APONTE, BROTHER OF RED FLAG (BR) LEADER GABRIEL PUERTA APONTE, JOSE ALI DEL CARMEN TORRES DOMINIQUEZ (AN INSURGENT WHO HAD PREVIOUSLY ESCAPED LIMITED OFFICIAL USE

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PAGE 03 CARACA 06565 01 OF 02 151823Z

FROM LA PICA PRISON IN MATURIN LAST YEAR), AND CARLOS LEONARDO ARAQUE CARCAMO (A SAN CARLOS PRISON ESCAPEE). ARAQUE CARCAMO'S WIFE, MEANWHILE, SOUGHT POLITICAL ASYLUM IN THE MEXICAN EMBASSY AND THE GOV, AT THE REQUEST OF THE MEXICANS, GRANTED HER A SAFE CONDUCT; SHE LEFT FOR MEXICO JULY 10.

COMMENT: THE IMPORT OF THESE ARRESTS IS NOT ENTIRELY CLEAR BUT HEY CERTAINLY HAVE NOT IMPRVED THE MORALE OF THE INSURGENTS, PARTICULARLY SINCE THE SENSATIONALIST PRESS HAS REPORTED (AND THE EMBASSY HAS INDEPENDENTLY CONFIRMED) THAT PABLO HERNANDEZ PARRA, A MEMBER OF THE GROUP'S POLITICAL BUREAU, HAS BEEN ACCUSED (IN A SERIES OF INCRIMINATING DOCUMENTS SEIZED BY DISIP) OF STEALING PARTY MONIES AND FORCING HIMSELF SEXUALLY ON THE WIVES OF FELLOW INSURGENTS. ACCORDING TO PARTY DOCUMENTS, PARRA RECANTED BUT ALSO EXPRESSED FEARS THT THE PARTY LEADERSHIP MIGHT CONDEMN HIM TO DEATH FOR HIS DEVIATIONISM, MORAL , SEXUAL AND OTHERWISE. IN ANY CASE, THE SEIZURES DO REFLECT FAVORABLY ON DISIP WHICH HAS FINALLY MANAGED TO DEMONSTRATE SOME PROGRESS IN ITS SEARCH FOR THE ELUSIVE GUERILLAS. NOT SO MUCH CAN BE SAID OF THE VENEZUELAN MILITARY, WHICH TO OUR KNOWLEDGE, HAS NOT BEEN DIRECTLY INVOLVED IN THESE DETNETIONS.END COMMENT.

3. PETROLEUM TALKS WITH BRITISH AND MEXICANS.

DURING THE PAST WEEK, PETROLEOS DE VENEZUELA PRESIDENT ALFONSO RAVARD HELD DISCUSSIONS WITH REPRESENTATIVES OF THE BRITISH NATIONAL OIL COMPANY AND PETROLEOS MEXICANOS. THE TALKS WITH BOTH THE BRITISH AND THE MEXICANS REPORTEDLY RESULTED IN AGREEMENT TO EXCHANGE INFORMATION ON A CONTINUING BASIS, ESPECIALLY CONCERNING THE OPERATIONS OF STATE-RUN OIL ENTERPRISES. THE TWO MEETINGS ARE PART OF AN EFFORT BY THE GOV TO MAINTAIN CLOSE CONTACTS WITH MAJOR NON-OPEC OIL PRODUCERS ON POLICY MATTERS. IN THE TALKS WITH PEMEX, WE UNDERSTAND RAVARD ALSO SOUGHT TECHNICAL INFORMATION RELATED TO THE PRODUCTION, REFINING AND MARKETING OF HEAVY CRUDE.

4. ALLEGED KIDNAPPER IN ELECTION FOR CONGRESSIONAL SEAT.  
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PAGE 04 CARACA 06565 01 OF 02 151823Z

SALOM MESA, MOVIMIENTO ELECTORAL DE PUEBLO (MEP) CONGRESSMAN, WHO HAS BEEN JAILED FOR THE PAST 23 MONTHS PENDING TRIAL FOR HIS ALLEGED COMPLICITY IN THE KIDNAPPING OF U.S. BUSINESSMAN WILLIAM NIEHOUS, WAS NOMINATED AS A CANDIDATE FOR CONGRESS ON THE MEP PARTY TICKET WHEN THE PARTY ANNOUNCED ITS PARTY SLATE ON JULY 12. JESUS ANGEL PAZ GALARRAGA, SEC GENERAL OF MEP, SAID MESA IS LEGALLY ENTITLED TO RUN SINCE THE MILITARY COURT HANDLING THE CASE HAS NEVER CONVICTED HIM. COMMENT: BY NOMINATING MESA, MEP, WHICH HAS ACTED AS MESA'S CHIEF ADVOCATE DURING HIS IMPRISONMENT, IS CONTINUING ITS EFFORTS TO PRESSURE THE GOV NOT TO CONVICT MESA. END COMMENT.

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PAGE 01 CARACA 06565 02 OF 02 151821Z  
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INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-10  
L-03 NSAE-00 NSC-05 PA-01 SP-02 SS-15 ICA-11  
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-----046623 151845Z /43

R 141712Z JUL 78  
FM AMEMBASSY CARACAS  
TO SECSTATE WASHDC 3015  
INFO AMEMBASSY BOGOTA

USCINCLANT NORFOLK VA  
USCINCSO QUARRY HEIGHTS

LIMITED OFFICIAL USE SECTION 2 OF 2 CARACAS 6565

5. GOV EXONERATES FOREIGN CREDITORS FROM PAYMENT OF INCOME TAX.

ACCORDING TO PRESS REPORTS, THE GOVERNMENT OF VENEZUELA HAS DECIDED THAT INTEREST EARNINGS ON ON LONG TERM CREDITS (OVER ONE YEAR) OBTAINED ABROAD WILL NOT BE SUBJECT TO VENEZUELAN INCOME TAX FOR AN INDEFINITE PERIOD. THE MOVE HAS THE SAME EFFECT AS AN INCREASE OF ABOUT 1.5 PERCENT IN INTEREST RATES. THE PURPOSE OF THE DECISION IS TO ENCOURAGE THE INFLOW OF LONG TERM CREDITS FROM ABROAD, THUS HELPING THE GOVERNMENT TO KEEP THIS YEAR'S BALANCE OF PAYMENTS DEFICIT WITHIN MANAGEABLE LIMITS.

6. AMBASSADOR RICHARDSON VISITS CARACAS FOR CONSULTATIONS ON LOS.

AMBASSADOR ELLIOT RICHARDSON ARRIVED ON JULY 12 FOR TWO DAYS OF CONSULTATIONS WITH GOV OFFICIALS ON LOS. TALKS WITH OFFICIALS WERE FRANK AND VIEWED AS VERY POSITIVE BY BOTH SIDES.

7. OTHER REPORTING THIS WEEK INCLUDED: MANUFACTURE OF TV  
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PAGE 02 CARACA 06565 02 OF 02 151821Z

RECEIVERS REGULATED (CARACAS 6284), COUNTRY COMMERCIAL PROGRAM, 3RD QTR FY 1978 (CARACAS 6309), SHIPPING LYKES STEAMSHIP CO. REQUEST FOR ASSOCIATE STATUS WITH CAVN (CARACAS 6399), GOV DENIES PERMISSION FOR PANAM FLIGHTS (CARACAS 6450), CIVAIR: US AIRLINE DESIGNATIONS PURSUANT TO US-VENEZUELAN BILATERAL (CARACAS 6457), PRE-33RD UNGA CONSULTATIONS (CARACAS 6418), INTEREST DUE ON DELINQUENT FMS DEBT (CARACAS 6481), ATTENDANCE AT RESUMED SEVENTH SESSION OF LOS CONFERENCE (CARACAS 6544), AND PRESS HEADLINES STORY OF VENEZUELAN ATTEMPTING TO LEAVE SOVIET UNION (CARACAS 6559).  
CROWLEY

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## Message Attributes

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20 Mar 2014  
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